

## **REMARKS**

Applicants reply to the Final Office Action (“Office Action”) mailed November 24, 2009 within two months. Claims 1-3, 6, 10, 11, 13, 14, 17, 18 and 22 were pending in the application and the Examiner rejects claims 1-3, 6, 10, 11, 13, 14, 17, 18 and 22. Applicants add new independent claim 23. Applicants cancel claims 11, 13, and 17-18 without prejudice to presenting the same or similar claims in this or a related application. Support for the amendments may be found in the originally-filed specification, claims, and figures. No new matter is entered by these amendments. Applicants respectfully request reconsideration of this application.

## **Interview Summary**

Applicants thank the Examiner and the Examiner’s supervisor (“the Examiners”) for the telephone interview conducted on January 7, 2010 with Applicants’ counsel. **In the Interview, the Examiners stated that an Advisory Action would NOT be issued without further discussion with Applicants’ counsel since the Examiners believe that patentable subject matter exists.** Thus, if a Notice of Allowance does not result from this communication, Applicants’ counsel respectfully request that the Examiners call Applicants’ counsel to discuss any outstanding issues. In the interview, Applicants’ counsel and the Examiners discussed 35 U.S.C. § 112, 35 U.S.C. § 103(a) rejections and possible 35 U.S.C. § 101 (or “Bilski”) issues.

With respect to the 35 U.S.C. § 112, paragraph 1 rejections, in the Office Action the Examiner rejects certain claims because “in claims 1 (lines 8-9), 11 (4-8) and 22 (lines 7-8), the recitations ‘a reallocation code’ and ‘a reallocation value’ are new matter ....” In the interview, Applicants cited specific passages of the specification that support the elements “reallocation code” and “reallocation value.” To reiterate, the specification recites: “codified information relating to not only the **value of the change in the ownership of the asset, but the reason for the change.**” p. 8, emphasis added; “[t]he capturing and categorizing of the various changes in the ownership of an asset or assets **result in the codification of these actions...**”, p. 7, emphasis added; and, “...information relating to the **reason for the change in ownership of the asset is necessary.** **The codified information** is linked with the data on the value of the change in the ownership of the asset in the database of the product system. ...”, p. 9, emphasis added.

**Per the agreement reached in the interview, Applicants amend the independent claims to recite “reallocation reason code” instead of “reallocation code” and to add the exact phrasing of the specification in a “wherein” clause, so claim 1 now recites:**

and wherein the reallocation data comprises a reallocation reason code, reallocation reasons, an asset type and a reallocation value,

and wherein the reallocation value, comprises information relating to the value of the change in ownership of the asset,

and wherein the reallocation reason code, comprises codified information relating to the reason for the change in ownership of the asset ....

With respect to the 35 U.S.C. § 103(a) rejections, Applicants’ counsel discussed the cited references, the claims and arguments presented in previous office actions. In particular, Applicant’s counsel stated that none of the cited references, alone or in combination, disclose or contemplate analyzing the reallocation data related to the ownership reallocation, to characterizing the reasons for the reallocation and to determining a tax treatment categorization based upon that analysis. **In response, the Examiner’s Supervisor agreed that the independent claims contain “allowable subject matter.”**

The Examiner’s Supervisor requested that Applicants clarify certain “Bilski” (i.e., 35 U.S.C. § 101) issues. During the interview, time did not permit a thorough examination of the specification. However, Applicants now submit that support for the elements recited in independent claims 1 and 22 can be found in the specification, for example, on page 3 (emphasis added).

A **system** and a method of managing and reconciling assets are provided. More specifically, the **system** and the method allow asset management advisors to provide clients with investment portfolio information that is complete and accurate. Specifically, the present **system** and method allow cost basis data and tax lot data to be extracted from brokerage **systems** and other financial instrument administration **systems** to **enable automated reconciliation of cost basis changes.** ...

providing a **management system for extracting** the information on the asset, the **reallocating** of the ownership of the asset and the **categorization** of the reallocation of the ownership of the asset from the product system, and **automatically calculating** the cost basis change of the asset based on the categorization of the

reallocation of the ownership of the asset in the management system.

With respect to claim 1, Applicants submit that the “computer” recited in the claim is well supported by the repeated disclosure of a “system” that performs tasks “automatically”. One of ordinary skill in the art **as of 2004** would easily recognize that, a system that is capable of performing tasks automatically, would necessarily include a computer. Applicants assert that the specification establishes that the word “system” is synonymous with “computer”, so all uses of the term “system” support the use of a “computer system”. For example, as disclosed, a computer system is needed to perform one or more of: **extract specific data** from brokerage systems, **extract information** regarding an asset, **reconcile assets**, **perform automated reconciliation of changes**, **reallocate ownership of an asset**, **categorize the reallocation and automatically calculate a cost basis change based on other the categorization**. Similarly, the elements of claim 22 and new claim 23 are directly supported by the quoted language above. Applicants submit that, in as much as claims 1, 22 and 23 recite a process, the claims are patent eligible because the respective processes are “tied to a particular machine.” *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008).

Applicants believe that any Bilski related issues with the claims are cured by the claim amendments and supported as discussed above. However, **Bilski has two OPTIONAL prongs (i.e., is an OR test)**, so even if the Examiners still believe that the first prong of Bilski is not met, Applicants submit that the second prong is satisfied. In particular, the claimed process clearly transforms “a particular article into a different state or thing.” *Id.* The method includes “analyzing the information relating to the asset, the reallocation of the ownership of the asset, and the categorization of the reallocation of the ownership of the asset to automatically calculate the cost basis change of the asset.” Information relating to the asset and reallocation of the asset refer to tangible things. For example, an asset can be a car and information relating to a car can include the car’s value, the car’s location, and the car’s various attributes. Likewise, the reallocation of the asset can refer to a location, a living person (an inheritance), etc. Thus, the method transforms these real world items into a “new state or thing” when the system automatically calculates a new cost basis.

**Claim Rejections under 35 U.S.C. §112, first paragraph**

The Examiner rejects claims 1-3, 6, 10-11, 13, 17-18 and 22 under 35 U.S.C. 112, first paragraph as failing to comply with the written description requirement. Applicants respectfully disagree with these rejections, but Applicants present claim amendments in order to clarify the patentable aspects of the claims and to expedite prosecution.

Please see above remarks in the Interview Summary section.

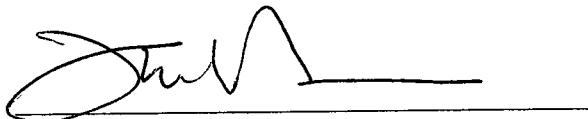
**Claim Rejections under 35 U.S.C. §103**

The Examiner rejects claims 1-3, 6, 10-11, 13, 17-18 and 22 under 35 U.S.C. 103(a), as being unpatentable over Horan, US Pub. No. 2003/0225663 (“Horan”) in view of DeWolf et al, US Pub. No. 2002/0032626 (“DeWolf”), Bergmann et al, US Pub. No. 2002/0143682 (“Bergmann”), Koppelman et al, US Patent No. 6,662,164 (“Koppelman”) and Official Notice.

Please see above remarks in the Interview Summary section. In response to the discussion in the Interview, the Examiner’s Supervisor stated that the independent claims contain allowable subject matter.

In view of the above remarks, Applicants respectfully submit that all pending claims properly set forth that Applicants regard as their invention and are allowable over the cited references. Accordingly, Applicant respectfully requests allowance of the pending claims. The Examiner is invited to telephone the undersigned at the Examiner’s convenience, if that would help further prosecution of the subject application. The Commissioner is authorized to charge any fees due to Deposit Account No. 19-2814.

Respectfully submitted,



James M. Hennessee  
Reg. No. 62,659

**SNELL & WILMER L.L.P.**  
400 E. Van Buren  
One Arizona Center  
Phoenix, Arizona 85004  
Phone: 602-382-6516  
Fax: 602-382-6070  
Email: [mhennessee@swlaw.com](mailto:mhennessee@swlaw.com)